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ARIZONA CORPORATION COMMISSION
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November 7, 2014

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Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
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NOV - 7 2014

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RE: Second Request for Informal Comment
Docket No. RU-00000A-14-0014
Revised Draft Rules Related to Release of Customer Information by Utilities

Arizona Public Service Company ("APS" or "Company") appreciates the opportunity to provide comments on Staff's Revised Draft Rules regarding the Handling of Private Customer Information by Utilities ("Revised Draft Rules") filed October 23, 2014 in the above-mentioned Commission docket. The Revised Draft Rules are significantly improved from those submitted by Staff in this docket on June 24, 2014, and the Company recognizes and applauds Staff's efforts to address utility concerns expressed through comments on that initial set of draft rules.

APS remains concerned that the Revised Draft Rules continue to unnecessarily restrict the ability of the utility to use customer information in its own day-to-day interactions with its customers – interactions that do not involve the dissemination of information to anyone except APS customers themselves. For example, the Company is proud to be part of a thriving Arizona community and routinely provides information to its customers regarding community events or other opportunities that may be of interest or offer benefits to the customer. APS has notified its customers through its monthly newsletter of the availability of discounted tickets to the Phoenix Zoo, various sporting events, and the Phoenix Symphony. The Company also encourages its customers to support local theaters, museums and concert halls, and reminds customers to attend the annual APS Electric Light Parade through the downtown streets of Phoenix to kick off the holiday season.

Under the Revised Draft Rules, outreach communications such as these and others do not appear to be allowable uses of customer information because they are not directly related to *regulated* utility services - even though this type of communication is valued by both the customer and the Company. Restrictions on communications that encourage participation in and awareness of community events, charitable activities and other services of potential interest to APS customers are unnecessary and would not allow utilities to continue to be both involved corporate citizens within the communities they serve and responsive to the desires of APS customers. To eliminate these restrictions, APS has generally removed "collection and use" and



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instead focused on "disclosure," which appears from the customer comments filed in this docket to be the issue of concern.

The Revised Draft Rules also continue to place severe restrictions on the ability of utilities to provide critical information on a timely basis to government agencies such as the Internal Revenue Service, the Arizona Department of Revenue, the Immigration and Naturalization Service, and others. As noted in the Company's prior comments, this restriction may prevent or impede governmental law enforcement agencies, from the Federal Bureau of Investigation and Homeland Security down to individual city police forces and the Arizona Department of Public Safety, in serious criminal investigations such as illegal drug trafficking. The Revised Draft Rules do create an exception for prosecutorial agencies (although it is not clear if federal agencies are included), this exception would seem not to include police and public safety agencies themselves. This is a significant change in how the Company interacts with these entities under current rules and statutes. For example, at Subpart 2213, the Revised Draft Rules appear to require law enforcement agencies to acquire a subpoena each and every time customer information from the utility is necessary. APS recommends changes in this language that would allow utilities to provide customer information to recognized governmental law enforcement and public service agencies upon request for a legitimate, verifiable enforcement or public safety purpose.

The Company also suggests that the Revised Draft Rules, in Subpart 2205 relating to contracts with Agents and Contractors (as defined in Subpart 2201), include an additional paragraph that would grandfather all current Company contracts with the required confidentiality language so that utilities are not required to renegotiate and re-execute existing contracts (with the attendant additional expense) with third parties currently providing services to the utility and its customers. Attempting to amend these contracts would be overly burdensome and costly. Also in Subpart 2205, the requirement for the utility to provide information in the "smallest increment necessary" may be difficult to achieve in practice and prone to disputes between the contractor and APS. Extraction of a small portion of "unnecessary" data from a set of customer information is likely to be very costly. APS recommends that the language be revised to require the "smallest amount reasonably necessary in light of the purpose, information sensitivity, and cost" for the service the Agent or Contractor is providing to the utility and its customers.

Subpart 2205 also requires that a utility promptly cease disclosing private customer information to a contractor if there is a single unauthorized disclosure of private customer information. This requirement may be impractical where continuation of a service or program is required and the utility cannot timely transition to another contractor. There may even be instances where there are no immediately available alternatives to the present contractor of such contractor is providing highly specialized services to APS. The Company recommends that the language require the utility to cease providing customer information to such a contractor as soon as practicable and allow the utility, if it wishes, to continue using that contractor once an unauthorized disclosure is investigated and the issues causing the unauthorized disclosure are remedied to the utility's satisfaction.

The Company also notes that the definition of "Standard Customer Usage Data" and its use in Subpart 2208 is unclear and ambiguous. The Company suggests that Staff clarify this

definition (a more clear definition could read: "Standard Customer Usage Data" means data provided to customers in their monthly billings or available to customers on the utility's website), and also consider adding a definition for "Non-Standard Customer Usage Data" as that term is used in Subpart 2208.

Subpart 2214 addresses data security at the utility, and requires the utility to notify the Commission's Executive Director of a security breach of information within one week of the detection of that breach. One week may be an inadequate amount of time to confirm there was a breach and to determine the extent of any such breach. The Company recommends that the rule allow the utility two weeks to investigate and confirm any potential security breach prior to notifying the Executive Director. This is consistent with an analogous provision in California's customer privacy regulations.

For the convenience of the Commission, the Company is attaching to these comments a red-lined version of the Revised Draft Rules that proposes alternate language addressing the concerns noted above as well as clarifying certain language to reflect what the Company believes to be Staff's intent. APS looks forward to a meaningful discussion of the proposed rules and stakeholder comments in the upcoming rulemaking process.

Sincerely,

A handwritten signature in cursive script that reads "Thomas L. Mumaw". The signature is written in dark ink and is positioned above the printed name.

Thomas L. Mumaw

TLM/bgs

**Redline Copy of Revised Draft Rules Related to Release of Customer Information with
Arizona Public Service Company Proposed Rule Changes**

ARTICLE 22. PRIVATE CUSTOMER INFORMATION

R14-2-2201. Definitions.

In this Article, unless otherwise specified:

- A. "Advance metering technology" means a metering system that records customer consumption [and possibly other parameters] hourly or more frequently and that provides for daily or more frequent transmittal of measurements over a communication network to a central collection point.
- B. "Affiliate" means, with respect to a utility, any other entity directly or indirectly controlling, controlled by, or under common control with the utility.
- C. "Agent" or "Contractor" means a person or entity acting under and in accordance with authority granted by a Utility and in furtherance of the Utility's objectives, or pursuant to a contractual or other business relationship with the Utility, but who is not a Utility employee.
- D. "Aggregate information" means collective data that relates to a group or category of services or customers, from which personally identifying information has been removed such that a specific Customer's identity cannot be ascertained.
- E. "Anonymous information" means data regarding Utility service furnished to a customer, presented without any personally identifying information.
- F. "Customer" means the person in whose name service is rendered and who is responsible for payment of the account.
- G. "Customer Account Information" means individually identifiable information including Customer address, contact information, payment history, account number, and amount billed. Customer Account Information also includes information received by the Utility from the Customer for purposes of participating in regulated Utility programs, including bill payment assistance, shutoff protection, renewable energy, demand-side management, load management, or energy efficiency.
- H. "Disclose" means to release, transfer, permit access to, or divulge in any other manner.
- I. "District" means a legal entity formed under A.R.S. Title 48.
- J. "Documentation" means supportive information recorded in written, photographic, electronic, or other fixed form.
- K. "Energy Assistance Organization" means a nonprofit corporation established to provide

low-income energy assistance pursuant to state or federal law.

- L. "Legal representative" means an attorney at law, attorney in fact, legal guardian, or other person responsible for a Customer's well-being, finances, legal or business affairs and who has provided documentation establishing such status in relation to the Customer.
- M. "Opt-in approval" means Customer consent to use or disclose the Customer's Private Customer Information, obtained as required in this Article.
- N. "Person" means an individual or a partnership, corporation, governmental agency, or other organization operating as a single entity.
- O. "Personally identifying information" means any of the following pertaining to a specific Customer:
- a. Name,
 - b. Address,
 - c. Telephone number,
 - d. E-mail address,
 - e. Account number,
 - f. Date of birth,
 - g. Social Security Number,
 - h. Credit card or bank account information, or
 - i. Other information that could be used to determine the identity of or to make contact with the customer.
- P. "Primary purpose" means the ~~collection, use, or disclosure~~ of information collected by the Utility or supplied by the Customer in order to: 1) provide, bill, or collect for, regulated services; 2) provide for system, grid, customer, or operational needs; 3) provide services as ~~required otherwise not prohibited~~ by state or federal law or as specifically authorized by an order of the Commission; or 4) plan, implement, or evaluate, energy assistance, demand response, energy management, energy efficiency, ~~or~~ renewable energy programs, or energy-related offers of potential interest to the Customer by the Utility or under contract with the Utility, under contract with the Commission, or as part of a Commission-authorized program conducted by an entity under the supervision of the Commission, or pursuant to state or federal statutes governing energy assistance.

Revisions to clarify the utility is allowed to use customer data to communicate with customers.

- Q. "Private Customer Information" means Customer Account ~~Data~~Information, Personally ~~Identifiable~~Identifying Information, and Customer Usage Data as defined in this Section.

Revisions for internal rule consistency.

- R. "Customer Usage Data" means any personally identifying information combined with any of the following pertaining to a specific Customer and available to the Utility serving that Customer solely by virtue of the Utility-Customer relationship:

- a. Information regarding the type, quantity, and technical configuration of any Utility service or product to which the Customer subscribes;
- b. Information regarding the time of use, amount of use, and destination for any utility service or product to which the Customer subscribes; and
- c. Information regarding any specific type of device, equipment, or appliance that a Customer uses.

S. "Secondary purpose" means any purpose that is not a primary purpose.

T. Standard Customer Usage Data" means the usage data that is made generally available by the Utility to all similarly situated customers on a regular basis, delivered by the Utility in a standard format. ~~If actively maintained in its systems in the ordinary course of business, such data shall be sufficient to allow customers to understand their usage at a level of detail commensurate with the meter or network technology deployed by the Utility to serve the customers' premises.~~

Revisions to clarify definition and remove non-definition language.

U. "Third Party" means a person or entity other than the Customer of record, the Utility serving such Customer, or an Agent or Contractor of the Utility.

V. "Utility" means a public service corporation, as defined in Article 15, § 2 of the Arizona Constitution, providing electric, gas, water, or sewer service within Arizona.

W. "Utility service" means a Utility's furnishing of a product, commodity, or service to a Customer as permitted by a Commission rule or a Commission-approved tariff or program and encompasses the business activities and communications reasonably necessary for the Utility to provide or offer the product, commodity, or service to the Customer; to facilitate and obtain payment from the Customer; to educate the Customer; and to monitor the Utility-Customer relationship.

R14-2-2202. Applicability.

This Article applies to each Class A, B, or C Utility as defined in R14-2-2201 and R14-2-103, or any Utility utilizing advanced metering technology.

R14-2-2203. ~~Collection and Use~~Disclosure of Private Customer Information.

~~A. A Utility shall collect Private Customer Information as necessary to accomplish a Primary Purpose only.~~

~~B. A Utility may collect and use Private Customer Information for a Primary Purpose without Customer consent.~~

~~C.A.~~ Customer Consent through opt-in or a signed Customer Authorization is necessary before a Utility may collect, use or disclose Private Customer Information for a Secondary Purpose.

~~D.B.~~ The Utility may not sell Private Customer Information except in connection with sales

of certain aged receivables to collection firms for purposes of removing this liability from its accounts.

Revisions to clarify the utility is allowed to use customer data to communicate with customers.

R14-2-2204. Instances Where Disclosure Is Allowed without Customer Consent or Opt-in Approval.

- A. A Utility may ~~use and~~ disclose a Customer's Private Customer Information without Customer consent or opt-in approval only as authorized in this Article or in R14-2-2212 which provides exceptions for legal process.

Revision to clarify the utility is allowed to use customer data to communicate with customers.

- B. A Utility may ~~use, or~~ disclose to a Utility Agent or Contractor or a Third Party for a Primary Purpose and authorize the Agent or Contractor or a Third Party to use, Private Customer Information as necessary to accomplish a Primary Purpose to enable the provision of utility service to the Customer as defined in R14-2-2201.

Revision to clarify the utility is allowed to use customer data to communicate with customers.

- C. The following shall be considered necessary to accomplish a Primary Purpose under these Rules such that Private Customer Information may be disclosed without the Customer's consent when it is provided:

1. To another Utility, a District, or a Municipality and is necessary for the other Utility, the District, or Municipality to collect payment from the Customer for Utility services provided by the other Utility, District, or Municipality;
2. To a Third Party, such as an entity providing debt collection services, mediation or arbitration services, or legal services, to protect the Utility's property and other legal interests in the context of nonpayment by or a dispute with the Customer;
3. To another Utility, a District, or a Municipality, to protect the other Utility, the District, or the Municipality from fraudulent, abusive, or unlawful use of or subscription to services;
4. To a Utility or its Agent or Contractor or a Third Party to comply with deferral or state law permitting disclosure of Private Customer Information for purposes such as conducting pipeline safety surveys or complying with Blue Stake requirements;
5. To an Agent or Contractor of the Utility to perform Utility repair services; and
6. To an acquiring or merging Utility when necessary in the context of a business transition such as an asset sale or merger to the extent permitted by law.

- D. These rules shall not apply to the disclosure of Private Customer Information to the extent necessary to protect the Customer or another individual from death or significant bodily harm.
- E. These rules shall not apply to the disclosure of Private Customer Information to the Commission or the Commission Staff.
- F. Disclosures under this Subpart shall be in the smallest ~~increment possible~~ amount necessary in light of the business purpose, information sensitivity and cost for the Third Party, Utility Municipality or District to provide the specified services and shall comply with R14-2-2205 and R14-2-2206.

Revision to reduce burden and cost of compliance.

- G. A Utility may recover its reasonable costs associated with providing Private Customer Information to another Utility, District or Municipality for the provision of Utility service.

R14-2-2205. Obtaining Opt-In Approval; Restrictions.

- A. The Utility shall share information in the smallest ~~increment necessary~~ amount reasonably necessary in light of the business purpose, information sensitivity and cost for the Agent or Contractor to provide service to the Customer.

Revision to reduce burden and cost of compliance.

- B. The Contract between the Utility and its Agents or Contractors shall specify that all Agents and Contractors are held to the same confidentiality and privacy standards as the Utility, its employees and its operations. These contracts shall also prohibit Agents or Contractors from using any information supplied by the Utility for secondary purposes.
- C. The Utility shall require its Agents and Contractors to implement and maintain reasonable data security procedures and practices designed to protect the Private Customer Information from unauthorized access, destruction, use, modification, or disclosure.
- D. The Utility shall require Agents and Contractors to return or destroy any Private Customer Information that is no longer necessary for the purpose for which it was transferred.
- E. The Contract between the Utility and an Agent or Contractor shall also provide that if there is an unauthorized disclosure of Private Customer Information by an Agent or Contractor in violation of the Contractor's or Agent's contract with the Utility, it shall be considered a material breach and the Utility shall ~~promptly cease disclosing~~ Private Customer Information to the Agent or Contractor as soon as practicable until such time as the Agent or Contractor demonstrates to the utility's satisfaction that it has remedied the root cause behind any unauthorized disclosure.

Revision to allow third party to remedy disclosure issue and to conform to industry practice.

- F. The Utility shall maintain records of the disclosure of Private Customer Information to Agents and Contractors in accordance with Utility record retention policies and Commission rules. This shall include all contracts between the Agent or Contractor and the Utility.
- G. The Utility's contractual provisions with Agents and Contractors shall also apply to any subcontractors used by the Utility's Agents or Contractors to the extent necessary to demonstrate compliance with these Rules.
- ~~G.H.~~ Existing Contracts executed prior to the effective date of this Article that contain Customer data confidentiality provisions are not required to be re-executed solely for the purposes of revising those confidentiality provisions to conform to this Subpart.

Revision to reduce burden and cost of compliance.

R14-2-2206. Disclosure to Third Party for a Primary Purpose.

- A. All disclosures of Private Customer Information by a Utility to a Third Party for a Primary Purpose shall comply with all of the requirements of Subpart R14-2-2205 above.

R14-2-2207. Customer Access to Data.

- A. The Customer has a right to know what information the Utility collects and maintains about the Customer, how often the data is collected and to whom and how it is made available, for what purpose and for how long.
- B. At the request of the Customer, a Utility shall disclose to the Customer or the Customer's legal representative, the Customer's Account Information, Personally Identifiable Information, and/or Customer Usage Data.
- C. Customers have a right to share their own Customer Usage Data with Third Parties of their choice. The Utility shall make a standard Customer Authorization form available for this purpose which complies with the requirements of Subpart R14-2-2209. Once the Utility verifies the Customer's request and securely transfers the information to the Customer's designated Third Party, the Utility is not responsible for loss, theft, alteration or misuse of the data by the designated Third Parties or customers after the information has been securely transferred to the Customer or the Customer's designated Third Party.
- D. Customers shall have the opportunity to request corrections or amendments to Customer Account Information or Personally Identifiable Data that the Utility collects, stores, uses, or distributes.

- E. Nothing in these Rules shall limit a Customer's right to provide his or her Customer data to anyone.

R14-2-2208. Standard and Non-Standard Customer Usage Data.

- A. A Utility shall include in its tariffs a description of Standard and Non-Standard Customer Usage Data that the Utility is able to provide to the Customer or to any Third-Party recipient to whom the Customer has authorized disclosure of the Customer's Usage Data within the Utility's technological and data capabilities. At a minimum, the Utility's tariff will provide the following:

1. A description of Standard Customer Usage Data and Non-Standard Customer Usage Data (billing determinants or other collected data) and the frequency of Customer Usage Data updates that will be available (annual, monthly, daily, etc.);
2. The method and frequency of Customer Usage Data transmittal to the Customer and access available to the Customer (electronic, paper, etc.) as well as the security protections or requirements for such transmittal;

Revisions for clarity and internal rule consistency.

3. A timeframe for processing the request;
 4. Any charges associated with processing a request for Non-Standard Customer Usage Data; and
 5. Any charges associated with obtaining Non-Standard Customer Usage Data.
- B. As part of basic Utility services, a Utility shall provide to a Customer the Customer's standard Customer Usage Data, access to the Customer's standard Customer Usage Data in electronic machine-readable form on the Utility's website, in conformity with nationally recognized standards and best practices in a manner that ensures adequate protections for the Utility's system security and continued privacy of the Customer Usage Data during transmission. Such access shall be provided without additional charge. If such access is not within the Utility's existing technological or data capabilities, the Utility may seek a waiver of this requirement from the Commission.

R14-2-2209. Customer Notice of Privacy and Security Requirements.

- A. The Utility shall conspicuously post on its website notice of these privacy and security requirements governing access to and disclosure of Customer Usage Data and aggregated data to Third-Parties. The Utility shall also file for Commission approval a tariff containing the requirements pertaining to the ~~collection, use and disclosure~~ of Private Customer Information. The notice shall also be provided to the Customer at the commencement of Utility service and if subsequently requested by the Customer.

Revision to clarify the utility is allowed to use customer data to communicate with customers.

B. The contents of the notice and tariff shall:

1. Include a description of the types of Customer data the Utility collects;
2. Inform customers that the privacy and security of their Private Customer Information will be protected by the Utility while in its possession;
3. Explain the frequency with which the Utility collects and stores Customer data and the frequency that the Customer can obtain Customer data;
4. Explain the difference between a Primary purpose where Customer consent is not required and a secondary purpose where Customer consent is required;
5. Explain that opt-in approval or a Customer Authorization Form is necessary for the Utility to collect, use or disclose Private Customer Information for a Secondary purpose. Explain that such authorization may be obtained electronically, in writing, or orally, as long as the oral authorization is recorded and demonstrates that the information provided to the Customer conforms with the requirements of these Rules.

Revision to clarify the utility is allowed to use customer data to communicate with customers.

6. Explain that Customers can access their Standard Customer data as identified by the Utility's tariff, without additional charge;
7. Describe the Utility's policies regarding how customers can authorize access and disclosure of their Customer data to Third-Parties;
8. Explain that any Customer consent for access to, disclosure of, or use of a Customer's data by a Third-Party may be terminated or limited by the Customer of record at any time and inform the Customer of the process for doing so;
9. Provide a Customer Service phone number and web address where customer can direct questions or obtain information regarding their customer data, the disclosure of Customer data or aggregate data, or the Utility's privacy policies and procedures with respect to Customer data or aggregated data.
10. Be printed in both English and Spanish versions, unless the customer has previously expressed a preferred language (either English or Spanish), in which case the notice may be provided to the Customer in the Customer's preferred language alone;

R14-2-2210. Obtaining Customer Authorization or Opt-In Approval for Secondary Purpose

- A. A Utility that desires to obtain a Customer's authorization to ~~collect, use or disclose~~ Customer Usage Information or Personally Identifiable Information for a Secondary purpose shall obtain the Customer's opt-in approval or a signed Customer Authorization Form from the Customer as provided in this Subpart. The opt-in authorization or Customer Authorization Form must, unless otherwise agreed to by the customer:

Revision to clarify the utility is allowed to use customer data to communicate with customers and to reduce burden and cost of compliance.

1. Include the definition of Private Customer Information;
2. Identify with specificity each Secondary purpose for which the Utility desires to use or to disclose the Customer's Private Customer Information;
3. Identify with specificity the type of service, program, or product for which the Utility desires to use or disclose the Customer's Private Customer Information;
4. In the case of a Customer Authorization Form, includes the name, physical address, mailing address, email address and telephone number of the Third Party Recipient;
65. State a description of the data to be disclosed; when it would be disclosed; how often it would be disclosed; and how long it will be retained by the Utility or Third Party;
76. Inform the Customer that the Customer may refuse to provide opt-in approval and that the Customer's denial of opt-in approval will not affect the Utility's provision of utility service to the Customer;
87. Inform the Customer that he or she may later revoke opt-in approval or approval provided through execution of a Customer Authorization Form, if used and an explanation of the revocation process;
98. Include a phone number that the Customer may call with any questions concerning the opt-in notice or Customer Authorization Form;
109. Be clearly legible, in 12-point or larger print and be available and be provided to the Customer in both English and Spanish versions, unless the Customer has previously expressed a preferred language (either English or Spanish), in which case the notice may be provided to the Customer in the Customer's preferred language alone;
110. If mailed to the Customer, be mailed separately from any billing information,

inducement, advertisement, or promotional information, unless the opt-in notice is included as an insert in the customer's monthly bill, clearly marked "Request for Customer Opt-In Authorization" in bold type at the top of the insert;

- | 1211. If sent to the Customer electronically, be e-mailed separately from any billing information, inducement, advertisement, or promotional information;
- | 1312. Include instructions for how the Customer must respond to provide opt-in approval;
- | 1413. State that the Customer must notify the Utility in writing (electronically or non-electronically) to terminate the consent including appropriate Utility contact information;
- | 1514. State that a Customer's opt-in approval shall remain in effect until the Customer revokes the opt-in approval; and
- | 1615. Inform the Customer of a toll-free telephone number, and any other available method, through which the Customer can notify the Utility if the Utility makes an error regarding the Customer's opt-in approval status or the Customer desires to revoke the Customer's opt-in approval.

Revisions for internal rule consistency.

- B. The Utility may establish a process for oral opt-in consent by the Customer as long as such consent is recorded and demonstrates that Customer was provided with all of the information required by this subpart. If the Utility uses a process allowing oral opt-in consent, the Utility take appropriate steps to establish the identity of the Customer.
- C. If a Customer does not respond to an opt-in notice, or provides an incomplete or incomprehensible response to an opt-in notice, the Customer shall be deemed to have denied the requested opt-in approval.
- | D. A Customer's opt-in approval authorizes a Utility to ~~use~~ disclose the Customer's Private Customer Information only for the purposes set forth in the opt-in notice and to disclose the Customer's Private Customer Information only as described in the opt-in notice.

Revision to clarify the utility is allowed to use customer data to communicate with customers.

- E. An opt-in notice that does not comply with the provisions of subsection (A) cannot result in an effective opt-in approval from a Customer.
- F. The Utility shall provide notice to the Customer that with respect to any Private Customer Information provided to a Third Party specifically designated by the Customer to receive the Customer's Private Customer Information, the Utility shall not be responsible for monitoring or taking any steps to ensure that the Third-Party to whom the data is disclosed is maintaining the confidentiality of the data or using the data as

intended by the Customer.

- G. If the Utility provides Private Customer Information under this subpart to a Third Party for use with the Utility for a Secondary Purpose, the Utility shall obtain the name, address and the Third Party's statutory agent in the State, and such other information as deemed appropriate and such use and disclosure shall also comply with R14-2-2205.
- H. The Utility shall keep a record of all requests to ~~collect, use or disclose~~ Private Customer Information for a Secondary Purpose and of all instances ~~or collection, of disclosure or use of~~ Private Customer Information pursuant to this Subpart.

Revision to clarify the utility is allowed to use customer data to communicate with customers.

R14-2-2211. Exception for Existing Programs for Which the Customer has Already Opted In.

If a Customer, prior to the effective date of this Article, has affirmatively consented to the use or disclosure of the Customer's Customer Account Information, Customer Usage Information or Personally Identifiable Information to participate in a specific Utility program or to receive a specific Utility service, the Utility is not required to obtain the Customer's opt-in approval before using or disclosing the Customer's Private Customer Information for purposes of that Utility program or Utility service.

R14-2-2212. Confirmation and Verification of Opt-in Approval.

- A. Within 10 days after receiving a Customer's opt-in approval, a Utility shall provide the Customer with written confirmation:
 - 1. Sent to the Customer by mail or electronic mail, separately from any other communication from the utility;
 - 2. Explaining the scope of the Customer's opt-in approval received; and
 - 3. Informing the Customer of a toll-free telephone number, and any other available method, through which the Customer can notify the Utility if the Utility has made an error regarding the Customer's opt-in approval status or if the Customer desires to revoke the opt-in approval.
- B. A Utility shall retain, maintain, and upon request provide to the Customer, the Customer's legal representative, or the Commission sufficient documentation concerning each Customer's opt-in approvals to demonstrate that the Utility has complied with the requirements of this Article.
- C. A Utility shall maintain the records in subsections (CA and B) for the life of a Customer's account and for at least one year after the Customer's account has been closed.

Revision for internal rule consistency.

R14-2-2213. No Opt-In Approval Required for Disclosure Pursuant to Legal Process.

- A. A Utility may not disclose Private Customer Information unless provided in accordance with this rule, or expressly authorized by state or federal law or by order of the Commission, except in the following circumstances:
1. Pursuant to a warrant or other Court order or subpoena naming with specificity the Customer whose information is sought, or at the request of federal, state, county, city, or other recognized governmental law enforcement or public safety entities for a legitimate and verifiable enforcement or public safety purpose.
 2. To a state, federal, or local prosecuting authority or any agency having an investigative function such as the Arizona Attorney General, a County or Municipal Attorney when requested by that entity in connection with an active investigation or litigation involving the Customer;
 3. To an entity such as the Better Business Bureau to respond to a formal or informal complaint filed by the Customer.

Revisions to conform to current industry practice.

- B. Disclosures under this Subpart shall be in the smallest ~~increment possible~~ amount reasonably necessary in light of the purpose, information sensitivity and cost to respond to the request, warrant, Court order, subpoena or complaint.

Revisions to reduce burden and cost of compliance.

- C. The Utility shall keep a record of all disclosures pursuant to this Subpart.

R14-2-2214. Data Security.

- A. A Utility shall implement reasonable administrative, technical and physical safeguards to protect Private Customer Information from unauthorized access, destruction, use, modification, or disclosure.
- B. A Utility shall ensure that Private Customer Information that the Utility requires to be transmitted wirelessly for purposes of providing utility service is protected from disclosure using encryption and password protection or another methodology meeting the minimum requirements for security practices, technologies, protocols, and controls currently recognized as meeting the standard of practice for its industry.
- C. A Utility shall notify the Commission's Executive Director of security breaches of Private Customer Information within ~~one~~ two weeks of detection or notification and confirmation of a breach.

Revisions to allow time to investigate possible security breaches.

R14-2-2215. Aggregate and Anonymous Information.

- A. A Utility shall not disclose aggregated data unless such disclosure conforms to these rules the requirements below.
- B. In aggregating ~~customer data~~ Private Customer Information to create an aggregated data report, a Utility must take steps to ensure the report is sufficiently anonymous in its aggregated form so that any individual Customer data or reasonable approximation thereof cannot be determined from the aggregated amount. At a minimum, a particular aggregation must contain: 1) at least fifteen customers or premises, and 2) within any Customer class, no single Customer's Customer data on or premise associated with a single Customer's data may comprise 15 percent or more of the total Customer data aggregated per Customer class to generate the aggregated data report (the "15/15 Rule"). A Utility shall not be required to disclose aggregated data if such disclosure would compromise the individual Customer's privacy or the security of the Utility's system.

Revisions for internal rule consistency.

R14-2-2216. ~~Collection~~ Disclosure of Certain Private Customer Information.

A Utility shall not ~~collect, use or~~ disclose a Customer's Private Customer Information regarding usage of any particular appliance or electrical device unless the Utility is authorized to ~~gather~~ disclose such Private Customer Information pursuant to a Commission Decision or a specific Commission-approved tariff or program.

Revision to clarify the utility is allowed to use customer data to communicate with customers.

R14-2-2217. Limitation of Liability.

A Utility and each of its directors, officers, and employees that discloses customer data pursuant to a customer's authorization in accordance with this Article, shall not be liable or responsible for any claims for loss or damages resulting from the Utility's disclosure of customer data.

R14-2-2218. Waivers.

- A. A Utility may request a waiver of any of the provisions of this Subpart upon good cause shown.

Copies of the foregoing delivered/mailed this 7th
day of November, 2014, to:

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